

## Internal Revenue Service

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Department of the Treasury  
Washington, DC 20224

Third Party Communication: None  
Date of Communication: Not Applicable

Person To Contact:  
, ID No.

Telephone Number:

Refer Reply To:  
CC:ITA:B03  
PLR-128560-15

Date:  
February 11, 2016

TY:

Legend

Taxpayer =

Subsidiaries =

Tax Preparer =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Dear :

This letter responds to your letter dated Date 1, submitted by Taxpayer requesting an extension of time under § 301.9100-3 of the Procedure and Administration Regulations to file Form 3115, Application for Change of Accounting Method.

### FACTS

Taxpayer is the parent of a consolidated group of corporations, including Subsidiaries, that files a consolidated federal income tax return.

Taxpayer determined that in accordance with Rev. Proc. 2014-16, it was required to file a Form 3115 relating to the Subsidiaries' accounting for repairs and maintenance

expenditures under Treas. Reg. § 1.162-4, units of property under § 1.263(a)-3, and incidental/non-incidental materials and supplies for the taxable year ended Date 2.

Taxpayer engaged Tax Preparer to assist the company in making the automatic method changes for the period ending Date 2, in accordance with the procedures in Rev. Proc. 2011-14 and Rev. Proc. 2014-16. Tax Preparer prepared the Form 3115 and provided the Form 3115 to Taxpayer so that the Form 3115 could be attached to Taxpayer's timely filed Date 2 Form 1120. On Date 3, Tax Preparer, on behalf of Taxpayer, filed a copy of the Form 3115 with the IRS in Ogden, UT, as required by Rev. Proc. 2014-16.

Taxpayer timely filed its Date 2 Form 1120 electronically on Date 4. Taxpayer intended to attach the original Form 3115 to its electronically filed return. Tax Preparer was responsible for scanning the original Form 3115 into the electronic return. In preparing the Date 2 return for electronic filing, Tax Preparer inadvertently excluded the Form 3115 with the electronic return that was filed on behalf of Taxpayer.

Tax Preparer discovered that the Form 3115 had not been attached to the electronically filed return after having an internal update meeting regarding the Date 2 tax return and then going through the copy of the electronically filed return package as part of its filing and tax return documentation process. As a result, Tax Preparer advised Taxpayer to request an extension of time under Treas. Reg. § 301.9100 to file the Form 3115 with Taxpayer's Date 2 return.

#### RULING REQUESTED

Accordingly, Taxpayer requests that the Service grant an extension of time to file the signed original Form 3115 with its timely filed Date 2 federal income tax return so that the requests for its Subsidiaries to change their methods of accounting for repair and maintenance expenditures under Treas. Reg. § 1.162-4, units of property under Treas. Reg. § 1.263(a)-3, and incidental/non-incidental materials and supplies will be treated as being made on a timely basis and will be granted to become effective for the taxable year ended Date 2.

#### LAW AND ANALYSIS

Rev. Proc. 2011-14, 2011-1 C.B. 330 (as amplified, clarified and modified by Rev. Proc. 2009-39, 2009-2 C.B. 371) provides the procedures by which a taxpayer may obtain automatic consent to change certain methods of accounting described in the Appendix thereto.

Section 6.02(3) of Rev. Proc. 2011-14 requires a taxpayer making a change under the automatic consent procedures to complete and file an application in duplicate. The original must be attached to the taxpayer's timely filed (including extensions) original federal income tax return for the year of change, and a copy (with signature) of the

Form 3115 must be filed with the IRS National Office no earlier than the first day of the year of change and no later than when the original is filed with the federal income tax return for the year of change.

Section 3.02 of Rev. Proc. 2014-16 modifies Rev. Proc. 2011-14 by providing the procedures by which a taxpayer may obtain automatic consent to change certain methods of accounting including repair and maintenance expenditures under Treas. Reg. § 1.162-4, units of property under Treas. Reg. § 1.263(a)-3, and incidental/non-incidental materials and supplies under Treas. Reg. § 1.162-3. Rev. Proc. 2014-16 also modifies Rev. Proc. 2011-14 to require that the duplicate copy of Form 3115 for these changes be filed with the IRS in Ogden, UT.

Under § 301.9100-1, the Commissioner has discretion to grant a reasonable extension of time under the rules set forth in §§ 301.9100-2 and 301.9100-3 to make a regulatory election.

Sections 301.9100-1 through 301.9100-3 provide the standards the Commissioner will use to determine whether to grant an extension of time to make an election. Section 301.9100-2 provides automatic extensions of time for making certain elections. Section 301.9100-3 provides extensions of time for making elections that do not meet the requirements of § 301.9100-2.

Section 301.9100-3(a) provides that requests for relief under § 301.9100-3 will be granted when the taxpayer provides evidence to establish to the satisfaction of the Commissioner that the taxpayer acted reasonably and in good faith, and that granting relief will not prejudice the interests of the government.

### CONCLUSIONS

Based solely on the facts and the representations submitted, we conclude that the requirements of §§ 301.9100-1 and 301.9100-3 have been met. Accordingly, Taxpayer is granted 60 calendar days from the date of this letter to file the original of the Form 3115 (with signature) in accordance with Rev. Proc. 2011-14 and Rev. Proc. 2014-16.

Except as specifically ruled upon above, no opinion is expressed or implied concerning the federal income tax consequences of the facts described above. Specifically, no opinion is expressed or implied concerning (i) whether Taxpayer is qualified to file the Form 3115 for the changes in method of accounting under Rev. Proc. 2014-16; or (ii) the calculation of any adjustment required by § 481(a).

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Christopher F. Kane  
Branch Chief, Branch 3  
(Income Tax & Accounting)